



U.S. SENATE COMMITTEE ON

Finance

SENATOR CHUCK GRASSLEY, OF IOWA - CHAIRMAN

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Grassley Pledges to Help Stop Undeserved Benefits to Prisoners, Fugitives

WASHINGTON – Sen. Chuck Grassley, chairman of the Committee on Finance, today said he will work to help stop the flow of millions of dollars in government cash assistance and benefits to prisoners, fugitives, the deceased and other ineligible people.

“It just doesn’t meet the common sense test to have taxpayers supporting a fugitive from justice in his run from the police,” Grassley said. “That has to change. The taxpayers already fund a housing option for convicts. It’s called prison.”

Grassley’s comments came after a hearing at which a committee investigation revealed that an estimated \$790 million a year -- and as much as \$831 million -- is wasted through just 12 benefit programs at the Department of Health and Human Services and the Social Security Administration. For example, Social Security’s cash assistance for the needy program pays \$30 million a year to fugitive felons. The agency’s program for the disabled pays another \$39 million a year to fugitive felons.

The committee heard from a convicted armed robber who received \$29,000 in improper Social Security payments over 41 months after he stopped seeing his parole officer. The money helped to sustain him as a fugitive from 1997 until last month, when he was arrested for violating his parole. The man, Jerome Horn, is now in jail in Newark, N.J. Horn said, “Yes, I did know that I was a fugitive and that the parole people were looking for me, but I didn’t know that there was anything wrong with me getting my monthly (Social Security) checks.”

Grassley said Horn’s situation exemplifies the inadequacies that lead to improper payments. Federal, state and local governments often lack the technical capacities to communicate federal benefit information and eligibility status to each other. Apart from technical issues, improper payments result from insufficient oversight, weak internal controls and late or non-existent system checks.

For example, Congress passed a law in 1996 prohibiting Social Security cash assistance to fugitive felons or parole violators, Grassley said. The law was meant to involve all states in a data-matching project to prevent fugitives from receiving federal payments while evading local authorities. Five years later, far from all 50 states are part of this project, Grassley said.

Grassley said he will take several steps to plug the benefit leaks to undeserving recipients:

- ▶ He will ask for quarterly updates from both the Department of Health and Human Services and the Social Security Administration on their progress in implementing numerous recommendations from agency inspector generals on how to fix these problems.

- ▶ He will study whether Congress should address any of these problems through legislation. He said if a new law actually would help to end improper payments, he would pursue it.
- ▶ He will ask the General Accounting Office to determine the barriers to effective communication and transfer of information between federal, state and local governments and ways to ease those barriers.

“The Social Security and Medicare programs don’t have a penny to spare for undeserving people,” Grassley said. “They’re already being squeezed to the limit, and that will only get worse when the baby boomers retire. Now is the time to nip this problem in the bud.”